



Special Notice

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800-400-7115
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711

Increase in State Fuel Taxes Triggered if Congress Fails to Reauthorize Federal Tax

On March 31, 2012, authorization will expire for the [U.S. Department of Transportation](#) to collect the federal excise taxes on fuel, which are deposited into the Federal Highway Trust Fund and to allocate disbursements from the fund to be used for highway, bridge, and transit projects (surface transportation). The major reauthorization of this surface transportation funding expired in October 2009 and these projects have continued to be supported by eight temporary spending extensions since that time.

Should Congress fail to act by March 31, and the federal excise taxes and surface transportation funding expire, California and other states will no longer receive federal funds to reimburse them for the expenses they incur for highway and transit projects. In order to preserve this funding, certain provisions of California's Revenue and Taxation Code (R&TC), cited below, stipulate that the state motor vehicle fuel (gasoline), diesel fuel, and use fuel tax rates are to be increased by specified amounts, depending on the type of fuel.

Should the federal excise taxes and funding expire on March 31, the California excise taxes on fuel will be adjusted to the following rates beginning April 1, 2012:

FUEL TYPE	TAX RATE CURRENT	TAX RATE APRIL 1, 2012	R&TC SECTION
Motor vehicle fuel (gasoline)	\$0.357	\$0.404	7360(a)(2)
Diesel fuel	\$0.13	\$0.330	60050(a)(2)
Ethanol or methanol fuels containing not more than 15 percent gasoline or diesel fuel	\$0.09	\$0.144	8651(b) & 8651.8
All other combustible liquid, by whatever name the gas or liquid may be known or sold, of a kind used in an internal combustion engine for the generation of power to propel a motor vehicle on the highways	\$0.18	\$0.287	8651(b)

For up-to-date information on the expiration of the federal excise taxes please visit the BOE website at www.boe.ca.gov and go to the [In the Spotlight](#) section.

Taxpayer Information Section

If you have any questions about this notice, please visit our website at www.boe.ca.gov or call our Taxpayer Information Section at 800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

